EXTENDICARE INC.

LONG TERM INCENTIVE PLAN

ARTICLE I

LONG TERM INCENTIVE PLAN

1.1 Purpose

The purposes of this Plan are:

(a) to attract, retain, and motivate employees of the Corporation and its subsidiaries by granting such employees Performance Share Units (a notional Share based award), with the number of PSUs ultimately vesting and the amount of the payout being determined based on the employee's and/or the Corporation's performance and/or the performance of a direct or indirect subsidiary of the Corporation as measured against pre-determined targets, thereby focusing such employees on, and rewarding such employees for, achieving specific financial goals and performance objectives of the Corporation and its subsidiaries and promoting a greater alignment of interests between such employees and the shareholders of the Corporation; and

(b) to attract and retain non-employee Directors, whose training, experience and ability will promote the interests of the Corporation, by granting such Directors Deferred Share Units (a notional Share based award), on an automatic basis with respect to a prescribed percentage of their Annual Board Retainer in lieu of cash that would otherwise be payable to such Directors, and on an elective basis with respect to other DSU Eligible Fees, thereby promoting a greater alignment of interests between such Directors and the shareholders of the Corporation.

1.2 Definitions and Interpretations

In this Plan, the following terms have the following meanings:

(a) "**# of PSUs Credited**" has the meaning set out in Section 2.4(c);

(b) "**Account**" means a Deferred Share Unit Account or a Performance Share Unit Account, as applicable;

(c) "**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is directly or indirectly controlled by, or is under direct or indirect common control with, such Person. A Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning;

(d) "**Annual Board Retainer**" means the retainer payable to a DSU Participant for serving as a Director (other than the Chairman) or as the Chairman during a particular calendar year, which for the 2016 Fiscal Year was $50,000 and $150,000, respectively;

(e) "**Annual Committee Retainer**" means the retainer payable by the Corporation to a DSU

Participant for serving as a member or the Chairman of a committee of the Board during a particular calendar year;

(f) "**Applicable Law**" means any applicable provision of law, domestic or foreign, including the *Securities Act* (Ontario), as amended, the ITA, together with all regulation and rules promulgated under any such laws, and any applicable provisions of Stock Exchange Rules, each as may be amended from time to time and any reference herein to a specific provision of Applicable Law shall be deemed to be a reference to any amended or successor provision thereto;

(g) "**Automatic DSU Retainer**" means, in respect of the 2016 Fiscal Year, fifty percent (50%) of the dollar amount of a DSU Participant's Annual Board Retainer, and in respect of all subsequent calendar years (i) fifty percent (50%) of the amount of a DSU Participant's Annual Board Retainer; or (ii) such other percent of a DSU Participant's Annual Board Retainer determined by resolution of the Directors in advance of the relevant calendar year, which amount is required to be satisfied in the form of DSUs credited to each DSU Participant's Deferred Share Unit Account;

(h) "**Award Agreement**" means a signed, written agreement between a PSU Participant and the Corporation, substantially in the form attached to this Plan as Schedule "A" or in such other form as may be approved from time to time by the HRG&S Committee, evidencing the terms and conditions under which an award of PSUs has been granted under this Plan to the PSU Participant;

(i) "**Beneficiary**" means, subject to Applicable Law, an individual who has been designated by a Participant by written instrument filed with the Corporation substantially in the form attached to this Plan as Schedule "B", or such other form as may be approved from time to time by the HRG&S Committee, to receive any amount payable under this Plan in the event of a Participant's death or, failing any such effective designation or where the designated individual does not survive the Participant, the Participant's estate, provided that in the case of a DSU Participant, the individual is a dependent or relation of the Participant;

(j) "**Blackout Period**" means the period during which trading restrictions are imposed by the Corporation in accordance with its trading policies restricting trades by directors, officers, employees and other insiders of the Corporation in the Corporation's securities;

(k) "**Board of Directors**" or "**Board**" means the board of directors of the Corporation from time to time;

(l) "**Business Day**" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario;

(m) "**Canadian Taxpayer**" means a Participant who is a resident of Canada for the purposes of the ITA or a Participant for whom awards under this Plan are subject to Canadian federal income taxation under the ITA;

(n) "**Cause**" means, unless otherwise defined in the applicable Award Agreement evidencing the grant of PSUs to a PSU Participant hereunder or in a written employment agreement between the PSU Participant and an Employer, any act or omission that would entitle the Employer to terminate the PSU Participant's employment without notice or compensation under the common law for just cause;

(o) "**Chairman**" means the Chairman of the Board appointed by the Directors from among themselves from time to time;

(p) "**Change in Control**" means:

(i) the acceptance of an offer, whether made by way of take-over bid or otherwise, by a sufficient number of holders of voting securities of the Corporation to constitute the offeror, together with Persons acting jointly or in concert with the offeror, a securityholder being entitled to exercise 50% or more of the aggregate number of voting rights attaching to the outstanding voting securities of the Corporation;

(ii) the completion of an arrangement, consolidation, merger, amalgamation, recapitalization or other form of reorganization of the Corporation with or into any other Person where the holders of Shares and any other voting securities of the Corporation immediately prior to the completion of the reorganization will hold 50% or less of the aggregate number of voting rights attaching to the outstanding voting securities of the continuing entity upon completion of the reorganization;

(iii) the completion of a sale whereby all or substantially all of the undertakings and assets of the Corporation on a consolidated basis become the property of any other Person where the holders of Shares and any other voting securities of the Corporation immediately prior to that sale hold 50% or less of the aggregate number of voting rights attaching to the outstanding voting securities of the other Person immediately following the sale; or

(iv) any other event which in the opinion of the Board constitutes a change of control of the Corporation.

(q) "**Code**" means the *United States Internal Revenue Code of 1986*, as amended from time to time, and any applicable Treasury Regulations and other binding regulatory guidance thereunder;

(r) "**Combined Payout Percentage**" has the meaning set out in Section 2.4(c);

(s) "**Constructive Dismissal**" has the meaning ascribed thereto pursuant to the common law, unless otherwise defined in the applicable Award Agreement evidencing the grant of PSUs to a PSU Participant hereunder or in a written employment agreement between the PSU Participant and an Employer, and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the PSU Participant's consent to the PSU Participant's title, responsibilities or reporting relationships, or a material reduction of the PSU Participant's compensation except where such reduction is applicable to all officers, if the PSU Participant is an officer, or all employees, if the PSU Participant is an employee, of the Employer, provided that the termination of any PSU Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such PSU Participant resigning from employment within thirty (30) days of the occurrence of the event described as giving rise to such Constructive Dismissal;

(t) "**Control Period**" means the period commencing on the date of the Change in Control and ending on the date that is 180 days after the date of the Change in Control;

(u) "**Corporation**" means Extendicare Inc. and its corporate successors and assigns;

(v) "**Date of Grant**" of a Unit means the date such Unit is granted to a Participant under this Plan;

(w) "**Deferred Share Unit**" or "**DSU**" means a unit designated as a Deferred Share Unit and notionally credited by means of an entry on the books of the Corporation to a DSU Participant pursuant to this Plan, representing the right to receive a cash payment equal to the Fair Market Value of a Share, or, at the sole discretion of the Corporation, its equivalent in fully paid Shares, or a combination of cash and Shares, in the manner, and subject to the terms, set forth in this Plan;

(x) "**Deferred Share Unit Account**" has the meaning set out in Section 3.1(b);

(y) "**Directors**" means the members of the Board of the Corporation from time to time, and "**Director**" means any one of the Directors;

(z) "**Disability**", where used in relation to a PSU Participant, means any PSU Participant in receipt of benefits under any long-term disability program of the Corporation or any other member of the Extendicare Group, or who is otherwise designated as being on disability by the HRG&S Committee for the purposes of this Plan;

(aa) "**DSU Cash Amount**" means, in respect of redeemed Vested Deferred Share Units, a cash amount equal to the product of the Fair Market Value of a Share, determined as of the DSU Redemption Date, and the number of Vested Deferred Share Units so redeemed, as reduced by any applicable taxes and other source deductions required to be withheld by the Corporation;

(bb) "**DSU Designated Broker**" has the meaning set out in Section 3.4(c)(ii);

(cc) "**DSU Eligible Fees**" means: (i) the percentage of a DSU Participant's Annual Board Retainer that is not an Automatic DSU Retainer; (ii) one hundred percent (100%) of the DSU Participant's Annual Committee Retainer; and (iii) one hundred percent (100%) of the Meeting Fees, but for greater certainty, shall not include any amounts received by a DSU Participant as reimbursement for travel or other expenses or any amounts received as equity-based compensation;

(dd) "**DSU Participant**" means a Director, who is not otherwise an employee of the Corporation or any other member of the Extendicare Group, to whom DSUs have been granted or will be granted hereunder;

(ee) "**DSU Redemption Date**" means

(i) unless clauses (ii) or (iii) are applicable, the date that is the second (2^{nd}) Business Day after a particular DSU Participant's Termination Date, subject to the application of Section 3.4(f);

(ii) unless clause (iii) is applicable, the date validly selected by a DSU Participant (other than a U.S. Taxpayer) under his or her DSU Redemption Election under Section 3.4(b) for the redemption of DSUs, subject to the application of Section 3.4(f); and

(iii) the Outside DSU Redemption Date if the date under clause (ii) is later than the Outside

DSU Redemption Date;

(ff) "**DSU Redemption Election**" means a signed, written election by a DSU Participant (other than a U.S. Taxpayer) substantially in the form attached to this Plan as Schedule "D", or in such other form as may be approved from time to time by the HRG&S Committee, validly delivered by the DSU Participant to the HRG&S Committee in accordance with Section 3.4(b);

(gg) "**Employer**" means with respect to a PSU Participant, the member of the Extendicare Group that employs the PSU Participant or that employed the PSU Participant immediately prior to such PSU Participant's Termination Date;

(hh) "**Extendicare Group**" means, collectively, the Corporation and all of its direct and indirect subsidiaries;

(ii) "**Fair Market Value of a Share**" or "**FMV**" means, except as provided in Section 5.1(b) and Section 5.2(d) on any particular date, the volume weighted average trading price of a Share on the TSX during the last five trading days prior to that particular date on which at least a board lot of Shares has so traded or, if a board lot has not traded on a particular day, the average of the bid and asked prices; and provided that if the Shares are not then listed and posted for trading on the TSX, then the Fair Market Value of a Share shall mean the weighted average trading price of a Share on such stock exchange in Canada on which the Shares are then listed and posted for trading during the last five trading days prior to that particular date or, if the Shares are not then listed and posted for trading on any stock exchange in Canada, then the Fair Market Value of a Share shall mean the fair market value of a Share as determined by a qualified financial advisor selected by the HRG&S Committee or by the HRG&S Committee, acting reasonably, using any other appropriate method selected by the HRG&S Committee;

(jj) "**First Amendment Date**" means December 12, 2019;

(kk) "**Fiscal Year**" means a fiscal year of the Corporation for accounting purposes, which as at the effective date of this Plan is the calendar year, and "**Fiscal Quarter**" means each quarter of the applicable Fiscal Year;

(ll) "**HRG&S Committee**" means before November 9, 2017 the Human Resources, Governance and Nominating Committee of the Board, on and after that date the Human Resources Committee of the Board, and on or after August 12, 2024, the Human Resources, Governance and Sustainability Committee of the Board or any other committee of the Board, as constituted from time to time, which may be appointed by the Board to, inter alia, interpret, administer and implement this Plan, provided, however, that if no HRG&S Committee is in existence at any particular time and the Board has not appointed another committee of the Board to administer this Plan, all references in this Plan to "HRG&S Committee" shall at such time be in reference to the Board;

(mm) "**Insider**" means those insiders within the meaning of applicable securities laws who are "reporting insiders", as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* of the Canadian Securities Administrators;

(nn) "**Insider Participation Restrictions**" are the restrictions referred to in Section 4.1(b)(ii) and Section 4.1(b)(iii);

(oo) "**ITA**" means the *Income Tax Act* (Canada), R.S.C. (5th Supp.), c. 1, including the regulations promulgated thereunder, as amended from time to time, and any reference in this Plan to a provision of the ITA includes a reference to a successor provision thereto;

(pp) "**Leave of Absence**" means any period during which, pursuant to the prior written approval of the PSU's Participant's Employer or by reason of Disability, the PSU Participant is considered to be on an approved leave of absence or on Disability;

(qq) "**Meeting Fees**" means the meeting fees payable to a DSU Participant for attending meetings of the Board and committees of the Board during a particular calendar year, including with respect to meetings held outside of a DSU Participant's vicinity of residence the travel allowance, as determined by the Board from time to time, which, as at the effective date of this Plan, is equal to 50% of the meeting fee plus a further 50% of the meeting fee for each required overnight stay;

(rr) "**Outside DSU Redemption Date**" means December 15 of the calendar year immediately following the calendar year containing the particular DSU Participant's Termination Date;

(ss) "**Outside PSU Redemption Date**" means December 15 of the third calendar year commencing after the applicable PSU Service Year for the applicable PSU;

(tt) "**Participant**" means a DSU Participant or a PSU Participant, as applicable;

(uu) "**Participant Information**" has the meaning set out in Section 6.5(f);

(vv) "**Participation and Election Agreement**" means a signed, written agreement between a DSU Participant and the Corporation substantially in the form attached to this Plan as Schedule "C" or in such other form as may be approved from time to time by the HRG&S Committee;

(ww) "**Performance Share Unit**" or "**PSU**" means a unit designated as a Performance Share Unit and notionally credited by means of an entry on the books of the Corporation to a PSU Participant pursuant to this Plan, representing the right to receive a cash payment equal to the Fair Market Value of a Share, or, at the sole discretion of the Corporation, its equivalent in fully paid Shares, or a combination of cash and Shares, in the manner, and subject to the terms, set forth in this Plan;

(xx) "**Performance Share Unit Account**" has the meaning set out in Section 2.3(a);

(yy) "**Permitted Reorganization**" means a reorganization of the Extendicare Group where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization;

(zz) "**Person**" includes any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

(aaa) "**Plan**" means this Extendicare Inc. Long Term Incentive Plan as set out herein, as the same may be amended from time to time;

(bbb) "**PSU Cash Amount**" means, in respect of redeemed Vested Performance Share Units, a cash amount equal to the product of the Fair Market Value of a Share, determined as of the PSU Redemption Date, and the number of Vested Performance Share Units so redeemed, as reduced by any applicable taxes and other source deductions required to be withheld by the Corporation;

(ccc) "**PSU Designated Broker**" has the meaning set out in Section 2.5(c)(ii);

(ddd) "**PSU Participant**" means an employee of the Corporation or any other member of the Extendicare Group who has been designated by the HRG&S Committee as eligible for participation in this Plan and to whom PSUs have been granted or will be granted hereunder;

(eee) "**PSU Performance Goal Period**" means, unless otherwise specified in an Award Agreement, the period commencing on the first day of the calendar year in which the Date of Grant falls and ending on the last day of the second full calendar year after the calendar year in which the Date of Grant falls;

(fff) "**PSU Performance Goals**" has the meaning set out in Section 2.4(c);

(ggg) "**PSU Redemption Date**" means:

(i) unless clauses (ii) or (iii) are applicable, the second (2^{nd}) Business Day after the PSUs become Vested Performance Share Units, subject to the application of Section 2.5(f);

(ii) unless clause (iii) is applicable, the date validly selected by a PSU Participant (other than a U.S. Taxpayer) under his or her PSU Redemption Election under Section 2.5(b) for the redemption of Vested Performance Share Units, subject to the application of Section 2.5(f); and

(iii) the Outside PSU Redemption Date if the date under clause (ii) is later than the Outside PSU Redemption Date;

(hhh) "**PSU Redemption Election**" means a signed, written election by a PSU Participant (other than a U.S. Taxpayer) substantially in the form attached to this Plan as Schedule "E", or in such other form as may be approved from time to time by the HRG&S Committee, validly delivered by the PSU Participant to the HRG&S Committee in accordance with Section 2.5(b);

(iii) "**PSU Service Year**" has the meaning set out in Section 2.1(c);

(jjj) "**PSU Vesting Date**" means a date determined by the HRG&S Committee that is not less than 24 months from the Date of Grant and not more than 36 months from the Date of Grant and is not at a date expected to be during a Blackout Period; provided that the PSU Vesting Date cannot extend beyond the third (3rd) Business Day preceding the Outside PSU Redemption Date;

(kkk) "**Retirement**" means the voluntary resignation of a PSU Participant's employment with a member of the Extendicare Group provided that (i) as of the Termination Date, the PSU Participant has attained the age of 60 and age plus years of continuous employment with the Extendicare Group is equal to or greater than 70, (ii) the PSU Participant and the Employer have previously agreed on the Termination Date, (iii) the PSU Participant is not entitled to receive any severance and/or statutory, contractual or common law notice of termination or payment of amounts in lieu thereof from a member of the Extendicare Group; and (iv) with respect to grants made after the Second Amendment Date, at least one PSU Vesting Date has occurred, on or prior to the Termination Date, with respect to PSUs granted to the PSU Participant.

(lll) "**Second Amendment Date**" means August 6, 2026;

(mmm) "**Share**" means a common share in the capital of the Corporation, or such other share as may be substituted therefor;

(nnn) "**Shareholders**" means the holders of Shares from time to time;

(ooo) **"Stock Exchange Rules"** means the applicable rules, regulations and policies of the TSX and any other stock exchange on which the Shares are listed and traded;

(ppp) "**Substitution Event**" means a Change in Control pursuant to which the Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise;

(qqq) "**Termination Date**": (i) with respect to a PSU Participant, means where the PSU Participant's employment with a member of the Extendicare Group has terminated (regardless of the reason for the termination), the later of (A) the last day of any statutory minimum notice period applicable to the PSU Participant in connection with the PSU Participant's termination of employment pursuant to applicable employment standards legislation, and (B) the last day on which the PSU Participant is employed and actively providing services to the applicable member of the Extendicare Group, and, except as otherwise required pursuant to the express minimum requirements of applicable employment standards legislation, does not include any period during, or in respect of, which the PSU Participant is receiving or is entitled to receive payments in lieu of notice (whether by way of lump sum or salary continuance), benefits continuance, severance pay, damages for wrongful dismissal or other termination related payments or benefits, in each case, whether pursuant to contract, common law, civil law or otherwise; and (ii) with respect to a DSU Participant, means the date on which both of the following conditions are met: (x) the Participant has ceased to be employed by the Corporation or any affiliate thereof (within the meaning of the term "affiliate" as described in paragraphs 2.11 to 2.13 of the Canada Revenue Agency's Income Tax Folio S2-F1-C2, Retiring Allowances, dated February 8, 2017, or other successor instrument) for any reason whatsoever; and (y) the

Participant is not a member of the Board nor a member of the board of directors of an affiliate of the Corporation (within the meaning of the above-noted Income Tax Folio);

(rrr) "**TSX**" means The Toronto Stock Exchange;

(sss) "**Units**" means Deferred Share Units and/or Performance Share Units, as applicable;

(ttt) "**U.S. Taxpayer**" means a Participant who is a citizen or a permanent resident for the purposes of the Code or a Participant for whom the compensation subject to deferral under this Plan or awards hereunder would otherwise be subject to United States federal income taxation under the Code;

(uuu) "**Vested Deferred Share Units**" has the meaning set out in Section 3.3;

(vvv) "**Vested Performance Share Units**" has the meaning set out in Section 2.4(e); and

(xxx) "**Vested Units**" means Vested Deferred Share Units and/or Vested Performance Share Units, as applicable.

In this Plan, unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.

1.3 Effective Date

This Plan shall be effective as of April 7, 2016, as amended August 6, 2026.

1.4 Schedules

The following Schedules are attached to this Plan and are incorporated by reference:

Schedule "A"	-	Award Agreement for Performance Share Units
Schedule "B"	-	Beneficiary Designation
Schedule "C"	-	DSU Participant Participation and Election Agreement
Schedule "D"		DSU Redemption Election
Schedule "E"		PSU Redemption Election
Schedule "F"	-	Plan Provisions Applicable to PSU Participants who are U.S. Taxpayers
Schedule "G"	-	Plan Provisions Applicable to DSU Participants who are U.S. Taxpayers

ARTICLE II

PERFORMANCE SHARE UNITS

2.1 Grant of Performance Share Units

(a) The HRG&S Committee may make grants of PSUs to PSU Participants in such number, at such times, and on such terms and conditions, as the HRG&S Committee may, in its sole subjective discretion, determine, provided that if a Blackout Period is then in effect, the grants shall be made no earlier than the sixth Business Day after the Blackout Period has ended. No PSUs may be granted following a PSU Participant's Termination Date.

(b) Notwithstanding any provision of this Plan, all PSUs granted to Canadian Taxpayers shall have such terms and conditions as are necessary to ensure that such PSUs comply, at all times, with the requirements of paragraph (k) of the exception to the definition of "salary deferral arrangement" in subsection 248(1) of the ITA.

(c) At the time of grant of any PSUs to a Canadian Taxpayer, the HRG&S Committee shall specify the year of service of the Canadian Taxpayer in respect of which the PSUs are granted (the "**PSU Service Year**"). Notwithstanding any provision of the Plan to the contrary, all such PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received by such Canadian Taxpayer in respect of his or her services to the Extendicare Group.

(d) All grants of PSUs under this Plan will be evidenced by an Award Agreement. Award Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the HRG&S Committee may direct. Any one executive officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to each PSU Participant who is granted PSUs pursuant to this Plan; provided, however, that an executive officer of the Corporation may not sign an Award Agreement under which he or she is the PSU Participant.

2.2 Forfeited Performance Share Units

For greater certainty, no PSU Participant shall have any entitlement to receive any payment in respect of any PSUs which have been forfeited and cancelled under this Plan, by way of damages, payment in lieu or otherwise.

2.3 Performance Share Unit Accounts

(a) A notional Account, to be known as a "**Performance Share Unit Account**", shall be maintained by the Corporation for each PSU Participant. On each Date of Grant, the PSU Participant's Performance Share Unit Account will be credited with the PSUs granted to the PSU Participant on that date, the number of which (rounded to two decimal places) shall be equal to the quotient determined by dividing: (i) the dollar amount determined by the HRG&S Committee to be satisfied by the grant of PSUs; by (ii) the Fair Market Value of a Share on that date.

(b) A PSU Participant's Performance Share Unit Account shall, from time to time, during the period commencing on the Date of Grant and ending on the PSU Participant's PSU Redemption Date, as a bonus for services rendered in the particular calendar year, be credited with additional PSUs, the number of which (rounded to two decimal places) shall be equal to the quotient determined by dividing: (i) one hundred percent (100%) of the dividends (excluding dividends paid in the form of additional Shares) declared by the Corporation that would have been paid to the PSU Participant if the PSUs in his or her Performance Share Unit Account on the relevant record date for such dividends had been Shares, by (ii) the Fair Market Value of a Share on the payment date of such dividends. Except where Section 2.6(b) and Section 2.6(c) apply, or the HRG&S Committee otherwise exercises discretion provided to it under Section 2.6, no PSUs will be credited to a PSU Participant's Performance Share Unit Account in respect of dividends relating to a record date which falls after such PSU Participant's Termination Date.

(c) Each additional PSU credited to a PSU Participant's Performance Share Unit Account pursuant to Section 2.3(b) shall be subject to the same terms, including as to vesting and redemption, as the underlying PSUs previously credited to such PSU Participant's Performance Share Unit Account, as allocated to each Award Agreement on a *pro rata* basis.

2.4 Vesting

(a) Performance Share Units granted under an Award Agreement (including any additional PSUs credited to the PSU Participant's Performance Share Unit Account pursuant to Section 2.3(b) that are allocated to such Award Agreement pursuant to Section 2.3(c)) shall, subject to and in accordance with the provisions of this Plan, vest on the PSU Vesting Date.

(b) The PSU Vesting Date, the related PSU Performance Goal Period and the related PSU Performance Goals, shall all be set out in the applicable Award Agreement.

(c) On the PSU Vesting Date, a number of PSUs granted under an Award Agreement shall vest in accordance with the following formula:

# of Vested PSUs = (Combined Payout Percentage) multiplied by (# of PSUs Credited)

The "**# of PSUs Credited**" means the number of PSUs granted to the PSU Participant as specified in the Award Agreement, plus any additional PSUs credited to such PSU Participant's Performance Share Unit Account pursuant to Section 2.3(c) that have been allocated to such Award Agreement.

The "**Combined Payout Percentage**", which shall, for grants made prior to the First Amendment Date, be not less than nil (0%) and not more than two hundred percent (200%), and, for grants made on and after the First Amendment Date, be not less than fifty percent (50%) and not more than one hundred and fifty percent (150%), shall be based upon performance goals established by the HRG&S Committee (collectively, the "**PSU Performance Goals**") and specified in the applicable Award Agreement, and may include, without limitation:

(i) the market price of the Shares;

(ii) adjusted funds from operations of the Corporation (on a consolidated basis);

(iii) the total return to Shareholders, with or without reference to the Corporation's competitors;

(iv) the financial performance or results of the Corporation (on a consolidated basis), or a business unit thereof;

(v) other performance goals relating to the Corporation, or a direct or indirect subsidiary or business unit thereof;

(vi) other performance goals relating to the PSU Participant; and/or

(vii) any other terms and conditions the HRG&S Committee may in its sole subjective discretion determine;

provided that all PSU Performance Goals shall be such that the Performance Share Units comply with the exception to the definition of "salary deferred arrangement" in paragraph (k) of subsection 248(1) of the ITA.

(d) Following the end of the PSU Performance Goal Period and prior to the PSU Vesting Date in respect of a particular Award Agreement, the HRG&S Committee shall determine whether and to what extent the PSU Performance Goals specified in the Award Agreement have been met, along with the Combined Payout Percentage and the # of Vested PSUs. If, as a result of a failure to meet the PSU Performance Goals relating to a particular PSU Performance Goal Period, some or all of the PSUs credited to the PSU Participant's Performance Share Unit Account in respect of an Award Agreement (including any additional PSUs credited pursuant to Section 2.3(b)) have not vested, such unvested PSUs shall be forfeited and cancelled without payment and shall be of no further force and effect. The HRG&S Committee may in its sole subjective discretion adjust or modify the PSU Performance Goals specified in an Award Agreement and the resulting # of Vested PSUs in recognition of:

(i) any unusual or extraordinary transaction, event or development or any other unusual or non-recurring event affecting the Corporation or any other member of the Extendicare Group (to the extent applicable to the PSU Performance Goals); or

(ii) changes in applicable rules, rulings, regulations or other requirements of any governmental body, securities commission or similar regulatory authority, stock exchange, accounting principles, law or business conditions.

(e) All PSUs recorded in a PSU Participant's Performance Share Unit Account which have vested in accordance with Sections 2.4(c), 2.4(d), 2.6(a), 2.6(b), 2.6(c), 2.6(d), 5.1(a), 5.1(c) and/or 5.2(b), and are not forfeited hereunder by the PSU Participant on his or her Termination Date, including in all cases any fractional PSUs rounded to the nearest 0.01 of a PSU, are referred to herein as "**Vested Performance Share Units**".

(f) For greater certainty, no PSU Participant nor any Beneficiary or other Person claiming through a PSU Participant shall be entitled to any benefit hereunder in respect of any PSUs that are not Vested Performance Share Units.

2.5 Redemption of Performance Share Units

(a) Subject to Section 2.5(f), the Vested Performance Share Units shall be redeemed on the PSU Redemption Date. On or as soon as practicable after the PSU Redemption Date, but in no event later than the Outside PSU Redemption Date, the Employer shall pay the PSU Cash Amount to the PSU Participant or the PSU Participant's Beneficiary, as applicable.

(b) At any time prior to the date that is the second (2nd) Business Day after the PSUs become Vested Performance Share Units, so long as no Blackout Period is in effect, the applicable PSU Participant (other than a U.S. Taxpayer) may deliver to the HRG&S Committee an irrevocable PSU Redemption Election pursuant to which he or she may elect the PSU Redemption Date applicable to such Vested Performance Share Units, provided that such PSU Redemption Date shall be: (w) after the PSU Vesting Date, (x) after the date of delivery of the PSU Redemption Election, (y) prior to December 15 of the third calendar year commencing after the PSU Service Year in respect of such Vested Performance Share Units, and (z) shall not be during a Blackout Period known at the time the PSU Redemption Election is delivered. For greater certainty, any PSU Redemption Election shall be irrevocable once made in respect of such Vested Performance Share Units.

(c) Subject to Section 2.5(f), and the receipt of any necessary shareholder and other approvals required under the Stock Exchange Rules, the Corporation may, in its sole subjective discretion and in lieu of the PSU Cash Amount to be paid by the Employer pursuant to Section 2.5(a) on or as soon as practicable after, the PSU Redemption Date but in no event later than the Outside PSU Redemption Date:

(i) issue to the PSU Participant, or the PSU Participant's Beneficiary, as applicable, the number of whole fully paid Shares (rounded down to the nearest whole number) equal to the result obtained when (A) the PSU Cash Amount is divided by (B) the Fair Market Value of a Share determined as of the applicable PSU Redemption Date; or

(ii) through a broker designated by the PSU Participant or the PSU Participant's Beneficiary, as applicable, that is independent from each member of the Extendicare Group (the "**PSU Designated Broker**"), purchase Shares through the facilities of the TSX or an alternative Canadian trading system, on behalf of the PSU Participant or the PSU Participant's Beneficiary, as applicable, the number of Shares to be acquired by the PSU Designated Broker being the result obtained when (A) the PSU Cash Amount is divided by (B) the trading price of a Share on the date of purchase. The Employer will contribute the PSU Cash Amount to the PSU Designated Broker and the PSU Designated Broker will purchase such number of Shares on behalf of the PSU Participant or the PSU Participant's Beneficiary, as applicable, through the facilities of the TSX or an alternative Canadian trading system, as soon as practicable thereafter. The Employer shall pay all reasonable brokerage fees and commissions relating to such purchase.

(d) Where the Corporation has informed a PSU Participant that it intends to issue Shares pursuant to Section 2.5(c)(i) in satisfaction of PSUs, and subject to any rules and procedures which the HRG&S Committee may adopt, the PSU Participant (other than a U.S. Taxpayer) may request that any such Shares be issued directly by the Corporation to a trust governed by:

(i) a registered retirement savings account (within the meaning of the ITA) of which the PSU Participant is the annuitant, or

(ii) a tax-free savings account (within the meaning of the ITA) of which the PSU Participant is the holder.

Where the Corporation elects, in its sole discretion, to accede to any such request, the fair market value of the Shares issued to the registered retirement savings account or tax-free savings account, as the case may be, shall be treated as a contribution or a premium (within the meaning of the ITA) by the applicable PSU Participant to the registered retirement savings account or tax-free savings account, as the case may be. For greater certainty, the PSU Participant shall be responsible for ensuring compliance with all applicable tax rules relating to such contributions and premiums and shall be liable for any tax or other consequences of such a contribution, including those relating to an over-contribution or of a prohibited investment or non-qualified investment.

(e) If, after the issuance of Shares in accordance with Section 2.5(c)(i) or Section 2.5(d), or the purchase of Shares by a PSU Designated Broker in accordance with Section 2.5(c)(ii), an amount remains payable in respect of Vested Performance Share Units credited to the Participant, the Employer shall pay such remaining amount in cash (after deduction of any applicable taxes and other source deductions required to be withheld by the Employer).

(f) If a PSU Participant's PSU Redemption Date would otherwise fall between the record date for a dividend on the Shares and the related dividend payment date, then provided that the dividend payment date occurs prior to the Outside PSU Redemption Date, the PSU Redemption Date shall be the first (1^{st}) Business Day immediately following the date of payment of such dividend for purposes of recording in the PSU Participant's Performance Share Unit Account the credits of additional PSUs referred to in Section 2.3(b) and making the calculation of the PSU Cash Amount.

(g) Upon payment of amounts owing to a PSU Participant or a PSU Participant's Beneficiary, as applicable, in respect of a Vested Performance Share Unit, the Vested Performance Share Unit in respect of which such payment has been made shall immediately and automatically be cancelled and terminated and shall become void and of no further force and effect.

2.6 Termination of Employment, Retirement, Death or Leave of Absence

(a) Subject to the provisions of this Section 2.6 and the provisions of any applicable Award Agreement or written employment agreement between a PSU Participant and a member of the Extendicare Group, upon the termination of a PSU Participant's employment with any member of the Extendicare Group for any reason other than Retirement or Death (including, without limitation, due to termination by a member of the Extendicare Group with or without Cause or voluntary termination by the PSU Participant) (i) the PSU Participant shall be granted no additional PSUs as of the Termination Date; and (ii) all PSUs previously credited to such PSU Participant's Performance Share Unit Account which have not become Vested Performance Share Units shall be terminated and forfeited without payment as of the PSU Participant's Termination Date. Notwithstanding the foregoing, the HRG&S Committee may, in its sole subjective discretion, after considering all of the circumstances of the PSU Participant's termination, including the reasons therefor, the performance of the PSU Participant and the PSU Performance Goals associated with such PSUs, determine to vest all or any portion of the aggregate number of PSUs in such PSU Participant's Performance Share Unit Account, including, without limitation, proportional vesting as contemplated by Section 2.6(c), after applying a Combined Payout Percentage that reflects the level of achievement of PSU Performance Goals that can be determined as at the PSU Participant's Termination Date, and with respect to PSU Performance Goals that are still in progress or that otherwise cannot be so determined as at the PSU Participant's Termination Date, assuming that such PSU Performance Goals are achieved at target. Any PSUs in the PSU Participant's Performance Share Unit Account which the HRG&S Committee determines to vest shall become Vested Performance Share Units and shall be redeemed in accordance with Section 2.5 as soon as practicable after the PSU Participant's Termination Date, while any remaining PSUs in the PSU Participant's Performance Share Unit Account shall be terminated and forfeited without payment as of the PSU Participant's Termination Date.

(b) Subject to the provisions of any applicable Award Agreement or a written employment agreement between a PSU Participant and a member of the Extendicare Group, upon a PSU Participant ceasing to be an employee of the Extendicare Group by reason of his or her Retirement, any PSUs previously credited to such PSU Participant's Performance Share Unit Account which have not become Vested Performance Share Units on or prior to the PSU Participant's Termination Date shall vest in accordance with their terms as if the PSU Participant had not retired, but subject to Section 2.6(c) in the event of death of the PSU Participant after retirement.

(c) Subject to the provisions of any applicable Award Agreement or a written employment agreement between a PSU Participant and a member of the Extendicare Group, upon a PSU Participant ceasing to be an employee of the Extendicare Group by reason of his or her death, including upon a PSU Participant subject to Section 2.6(b) dying, any PSUs previously credited to such PSU Participant's Performance Share Unit Account which have not become Vested Performance Share Units shall vest on the PSU Participant's date of death, on the basis that only a *pro rata* proportion of such PSUs that would otherwise vest in accordance with their terms shall become Vested Performance Share Units, such *pro rata* proportion of such PSUs to be determined based on the number of days between the Date of Grant of such PSUs and the PSU Participant's date of death versus the number of days in the entire PSU Performance Goal Period for such PSUs, after applying a Combined Payout Percentage that reflects the level of achievement of PSU Performance Goals that can be determined as at the PSU Participant's date of death, and with respect to PSU Performance Goals that are still in progress or that otherwise cannot be so determined as at the PSU Participant's date of death, assuming that such PSU Performance Goals are achieved at target. Any PSUs in the PSU Participant's Performance Share Unit Account which do not become Vested Performance Share Units as previously stated shall be terminated and forfeited without payment. Notwithstanding the foregoing, the HRG&S Committee may, in its sole subjective discretion, after considering the performance of the deceased PSU Participant and the PSU Performance Goals associated with such PSUs, determine that a greater proportion of PSUs in the PSU Participant's Performance Share Unit Account shall become Vested Performance Share Units by applying a greater proration factor (not to exceed 100%) than a proration factor based on the number of days between the Date of Grant of such PSUs and the PSU Participant's date of death versus the number of days in the entire PSU Performance Goal Period for such PSUs. In such event, such greater number of PSUs in the PSU Participant's Performance Share Unit Account which the HRG&S Committee determines to vest shall become Vested Performance Share Units and shall be redeemed in accordance with Section 2.5, while any remaining PSUs in the PSU Participant's Performance Share Unit Account shall be terminated and forfeited without payment.

(d) For the period during which a PSU Participant is on a Leave of Absence, any PSUs previously credited to such PSU Participant's Performance Share Unit Account which have not become Vested Performance Share Units on or prior to the date the PSU Participant commenced the Leave of Absence shall continue to vest in accordance with their terms and pursuant to Section 2.5 on the basis that only a *pro rata* proportion of the aggregate number of PSUs credited to the PSU Participant's Performance Share Unit Account that would otherwise vest in accordance with their terms shall become Vested Performance Share Units based on the number of days during which the PSU Participant provided services to the Employer and was not on a Leave of Absence during the PSU Performance Goal Period for such PSUs versus the number of days in the entire PSU Performance Goal Period for such PSUs. Any PSUs in the PSU Participant's Performance Share Unit Account which do not become Vested Performance Share Units as previously stated shall be terminated and forfeited without payment. Notwithstanding the foregoing, the HRG&S Committee may, in its sole subjective discretion, after considering all the circumstances of such Leave of Absence and the PSU Performance Goals of such PSUs, determine to vest all or any other portion of the PSUs in such PSU Participant's Performance Share Unit Account. In such event, any such PSUs in the

PSU Participant's Performance Share Unit Account which the HRG&S Committee determines to vest shall become Vested Performance Share Units and shall be redeemed in accordance with Section 2.5, while any remaining PSUs in the PSU Participant's Performance Share Unit Account shall be terminated and forfeited without payment.

(e) Where a PSU Participant forfeits any PSUs pursuant to Sections 2.6(a), 2.6(b), 2.6(c) or 2.6(d), such PSU Participant shall also forfeit all of his or her right, title and interest with respect to any additional PSUs credited to his or her Performance Share Unit Account under Section 2.3(b) to the extent that they are allocated to, or directly or indirectly attributable, as determined by the HRG&S Committee, to PSUs forfeited by such PSU Participant as above.

(f) Subject to Sections 2.6(a), 2.6(b), 2.6(c) and 2.6(d), if the relationship of the PSU Participant with a member of the Extendicare Group is terminated for any reason, whether or not such termination is with or without notice, adequate notice or legal notice or is with or without Cause, the PSU Participant's rights shall be strictly limited to those provided for in this Section 2.6, or as otherwise provided in the applicable Award Agreement or in a written employment agreement between the PSU Participant and a member of the Extendicare Group. The PSU Participant shall have no other claim to, or in respect of, any PSUs which may have or would have vested had due notice of termination of employment been given, such PSUs shall be terminated and forfeited without payment, and the PSU Participant shall not have any entitlement to damages or other compensation or part of any claim for wrongful termination or dismissal in respect of any PSUs or loss of profit or opportunity which may have or would have vested or accrued to the PSU Participant if such wrongful termination or dismissal had not occurred or if due notice of termination had been given. This provision shall be without prejudice to the PSU Participant's rights to seek compensation for lost employment income or lost employment benefits (other than those accruing under or in respect of this Plan or any PSU) in the event of any alleged wrongful termination or dismissal.

ARTICLE III

DEFERRED SHARE UNITS

3.1 Deferred Share Unit Grants and Accounts

(a) Each DSU Participant, as of the effective date of this Plan, shall execute and deliver to the Corporation a Participation and Election Agreement on the effective date of this Plan. Subject to Section 3.2(d), each new DSU Participant, after the effective date of this Plan, shall execute and deliver to the Corporation a Participation and Election Agreement on or before the date that is the earlier of (i) the last Business Day of the Fiscal Quarter in which the DSU Participant is first elected or appointed to the Board of Directors, and (ii) 30 days after the date in which the DSU Participant is first elected or appointed to the Board of Directors.

(b) A notional Account, to be known as a "**Deferred Share Unit Account**", shall be maintained by the Corporation for each DSU Participant. On each Date of Grant, the Deferred Share Unit Account will be credited with the DSUs granted to a DSU Participant on that date.

(c) Subject to the terms of this Plan, the amount of the Automatic DSU Retainer for each calendar year shall be satisfied by grants of DSUs in lieu of the payment of cash. Deferred Share Units credited to the Deferred Share Unit Account of a DSU Participant in satisfaction of the Automatic DSU Retainer shall be credited in quarterly installments on the last Business Day of each Fiscal Quarter, the number of which (rounded to two decimal places) shall be equal to the quotient determined by dividing: (i) the dollar amount of the portion of the DSU Participant's Automatic DSU Retainer for the applicable Fiscal Quarter; by (ii) the Fair Market Value of a Share on such date. Notwithstanding the foregoing, DSUs credited to the Deferred Share Unit Account of a DSU Participant in satisfaction of the Automatic DSU Retainer for the Fiscal Quarter ending March 31, 2016 shall be credited on the effective date of this Plan, the number of which (rounded to two decimal places) shall be equal to the quotient determined by dividing: (i) the dollar amount of the portion of the DSU Participant's Automatic DSU Retainer for the Fiscal Quarter ending March 31, 2016; by (ii) the Fair Market Value of a Share on the effective date of this Plan.

(d) Subject to Section 3.2, each DSU Participant may elect, irrevocably and in advance, to have 100%, 75%, 50%, 25% or 0% of his or her DSU Eligible Fees satisfied by additional grants of DSUs credited to his or her Deferred Share Unit Account (with any remaining percentage to be paid in cash).

(e) Any DSUs credited to the Deferred Share Unit Account of an DSU Participant in satisfaction of all or a portion of such DSU Participant's DSU Eligible Fees shall be credited in quarterly installments on the last Business Day of each Fiscal Quarter, the number of which (rounded to two decimal places) shall be equal to the quotient determined by dividing: (i) the dollar amount of DSU Eligible Fees for the applicable Fiscal Quarter to be satisfied by grants of DSUs as elected by the DSU Participant; by (ii) the Fair Market Value of a Share on such day. Notwithstanding the foregoing, the DSUs credited to the Deferred Share Unit Account of a DSU Participant in satisfaction of all or a portion of such DSU Participant's DSU Eligible Fees for the Fiscal Quarter ending March 31, 2016 shall be credited on the effective date of this Plan, the number of which (rounded to two decimal places) shall be equal to the quotient determined by dividing: (i) the amount of the DSU Eligible Fees for the Fiscal Quarter ending March 31, 2016; by (ii) the Fair Market Value of a Share on the effective date of this Plan.

(f) A DSU Participant's Deferred Share Unit Account shall from time to time, during the period commencing on the Date of Grant and ending on the DSU Participant's DSU Redemption Date, be credited with additional DSUs, the number of which (rounded to two decimal places) shall be equal to the quotient determined by dividing: (i) one hundred percent (100%) of the dividends (excluding dividends paid in the form of additional Shares) declared by the Corporation that would have been paid to the DSU Participant if the DSUs in his or her Deferred Share Unit

Account on the relevant record date for such dividends on the Shares had been Shares; by (ii) the Fair Market Value of a Share on the payment date of such dividends. Subject to the sole subjective discretion of the HRG&S Committee, no DSUs will be credited to a DSU Participant's Deferred Share Unit Account in respect of dividends relating to a record date which falls after such DSU Participant's Termination Date. All DSUs credited to a DSU Participant's Deferred Share Unit Account pursuant to this Section 3.1(f) shall vest immediately and become Vested Deferred Share Units.

3.2 Method of Election

(a) Each DSU Participant, as of the effective date of this Plan, shall elect, irrevocably and in advance, to receive 100%, 75%, 50%, 25% or 0% of his or her DSU Eligible Fees for services to be performed after the date of the election, and that would otherwise be payable to the DSU Participant in cash, in the form of DSUs, by indicating the applicable percentage on his or her Participation and Election Agreement (with any remaining percentage to be paid in cash), to be executed and delivered to the Corporation in accordance with Section 3.1(a). The election made by a DSU Participant, as of the effective date of this Plan, pursuant to this Section 3.2(a) to receive 100%, 75%, 50%, 25% or 0% of his or her DSU Eligible Fees in the form of DSUs, shall apply to the DSU Participant making such election for the remaining months of the 2016 Fiscal Year and shall be irrevocable for such period, and shall apply for each subsequent calendar year unless the DSU Participant validly amends his or her election in accordance with Section 3.2(c).

(b) In the calendar year in which a DSU Participant is first elected or appointed to the Board of Directors, the DSU Participant shall elect, irrevocably and in advance, to receive 100%, 75%, 50%, 25% or 0% of the DSU Participant's DSU Eligible Fees for services to be performed after the date of the election, and that would otherwise be payable to the DSU Participant in cash, in the form of DSUs, by indicating the applicable percentage on his or her Participation and Election Agreement (with any remaining percentage to be paid in cash), to be executed and delivered to the Corporation in accordance with Section 3.1(a). The election made by a DSU Participant pursuant to this Section 3.2(b) to receive 100%, 75%, 50%, 25% or 0% of his or her DSU Eligible Fees in the form of DSUs, shall apply to the DSU Participant making such election for the remaining months of the calendar year after the DSU Participant makes the election and shall be irrevocable for such period, and shall apply for each subsequent calendar year unless the DSU Participant amends his or her election in accordance with Section 3.2(c).

(c) A DSU Participant who has previously made an election pursuant to Sections 3.2(a) or 3.2(b), or pursuant to this Section 3.2(c), may change the percentage of his or her DSU Eligible Fees to be satisfied in the form of DSUs for any subsequent calendar year by completing and delivering to the Corporation a new Participation and Election Agreement no later than December 31 of the calendar year immediately preceding the calendar year to which the DSU Eligible Fees relate setting out the percentage (100%, 75%, 50%, 25% or 0%) of the DSU Participant's DSU Eligible Fees that the DSU Participant wishes to be satisfied in the form of DSUs (with any remaining percentage to be paid in cash). Any election made by a

DSU Participant pursuant to this Section 3.2(c), including the percentage specified therein, shall apply to the DSU Participant making such election for the calendar year in respect of which the DSU Participant makes the election and shall be irrevocable for such period, and shall apply for each subsequent calendar year unless the DSU Participant subsequently validly amends his or her election in accordance with this Section 3.2(c).

(d) Notwithstanding anything in Sections 3.1(a), 3.2(b) or 3.2(c), an election by a DSU Participant to receive 100%, 75%, 50% or 25% of his or her DSU Eligible Fees for services to be performed after the date of the election, and that would otherwise be payable to the DSU Participant in cash, may not be made by the DSU Participant during a Blackout Period. In the event that an election would otherwise be required to be made by a DSU Participant under Section 3.2(b) during a Blackout Period, the DSU Participant's deadline for the making of such election and executing and delivering his or her Participation and Election Agreement to the Corporation will be extended to the tenth (10^{th}) Business Day after the date of the expiry of the Blackout Period; provided that if the Blackout Period continues to and includes December 31 of the calendar year immediately preceding the calendar year to which the DSU Eligible Fees relate, no such election may be made or amended.

(e) For greater certainty, a DSU Participant's latest election received by the Corporation under Sections 3.2(a), 3.2(b) or 3.2(c) shall be irrevocable and shall continue to apply with respect to his or her DSU Eligible Fees for the calendar year in respect of which the election was made and for each subsequent calendar year unless the DSU Participant subsequently validly amends his or her election in accordance with Section 3.2(c).

3.3 Vesting

All Deferred Share Units recorded in a Participant's Deferred Share Unit Account, together with any additional DSUs credited to such Participant's Deferred Share Unit Account under Section 3.1(f), shall vest immediately and are referred to herein as "**Vested Deferred Share Units**".

3.4 Redemption of Deferred Share Units

(a) Subject to Sections 3.4(c) to 3.4(h), inclusive, a DSU Participant's Vested Deferred Share Units shall be redeemed on the DSU Redemption Date. On or as soon as practicable after the DSU Redemption Date, but in no event later than the Outside DSU Redemption Date, the Corporation shall pay the DSU Cash Amount to the DSU Participant, or the DSU Participant's Beneficiary, as applicable.

(b) On any date prior to a DSU Participant's Termination Date, the applicable DSU Participant (other than a U.S. Taxpayer) may deliver to the HRG&S Committee an irrevocable DSU Redemption Election pursuant to which he or she may elect the DSU Redemption Date applicable to the DSUs outstanding in his or her Deferred Share Unit Account, so long as no Blackout Period is in effect, provided that such DSU Redemption Date shall be: (x) after the DSU Participant's Termination Date, and (y) prior to December 15 of the calendar year commencing after Participant's Termination Date, and (z) shall not be during a Blackout Period known at the time the DSU Redemption Election is delivered. For greater certainty, any DSU Redemption Election shall be irrevocable once made in respect of such DSUs.

(c) Subject to Sections 3.4(g) and 3.4(h), inclusive, and the receipt of any necessary shareholder and other approvals required under the Stock Exchange Rules, the Corporation may, in its sole subjective discretion and in lieu of the cash payment by the Corporation contemplated by Section 3.4(a), on the DSU Redemption Date, or as soon as practicable after the DSU Redemption Date (but in no event later than the Outside DSU Redemption Date):

(i) issue to the DSU Participant, or the DSU Participant's Beneficiary, as applicable, the number of whole fully paid Shares (rounded down to the nearest whole number) equal to the result obtained when (A) the DSU Cash Amount is divided by (B) the Fair Market Value of a Share determined as of the DSU Redemption Date; or

(ii) through a broker designated by the DSU Participant or the DSU Participant's Beneficiary, as applicable, that is independent from each member of the Extendicare Group (the "**DSU Designated Broker**"), purchase Shares through the facilities of the TSX or an alternative Canadian trading system, on behalf of the DSU Participant or the DSU Participant's Beneficiary, as applicable, the number of Shares to be acquired by the DSU Designated Broker being the result obtained when (A) the DSU Cash Amount is divided by (B) the trading price of a Share on the date of purchase. The Corporation will contribute the DSU Cash Amount to the DSU Designated Broker and the DSU Designated Broker will purchase such number of Shares on behalf of the DSU Participant or the DSU Participant's Beneficiary, as applicable, through the facilities of the TSX or an alternative Canadian trading system, as soon as practicable thereafter. The Corporation shall pay all reasonable brokerage fees and commissions relating to such purchase.

(d) Where the Corporation has informed a DSU Participant that it intends to issue Shares pursuant to Section 3.4(c)(i) in satisfaction of DSUs, and subject to any rules and procedures which the HRG&S Committee may adopt, the DSU Participant (other than a U.S. Taxpayer) may request that any such Shares be issued directly by the Corporation to a trust governed by:

(i) a registered retirement savings account (within the meaning of the ITA) of which the DSU Participant is the annuitant, or

(ii) a tax-free savings account (within the meaning of the ITA) of which the DSU Participant is the holder.

Where the Corporation elects, in its sole discretion, to accede to any such request, the fair market value of the Shares issued to the registered retirement savings account or tax-free savings account, as the case may be, shall be treated as a contribution or a premium (within the meaning of the ITA) by the applicable DSU Participant to the registered retirement savings account or tax-free savings account, as the case may be. For greater certainty, the DSU Participant shall be responsible for ensuring compliance with all applicable tax rules relating to such contributions and premiums and shall be liable for any tax or other consequences of such a contribution, including those relating to an over-contribution or of a prohibited investment or non-qualified investment.

(e) If, after the issuance of Shares in accordance with Section 3.4(c)(i), or the purchase of Shares by a DSU Designated Broker in accordance with 3.4(c), an amount remains payable in respect of Vested Deferred Share Units credited to the DSU Participant, the Corporation shall pay such remaining amount in cash (less any applicable taxes and source deductions required to be withheld by the Corporation).

(f) If a DSU Participant's DSU Redemption Date would otherwise fall between the record date for a dividend on the Shares and the related dividend payment date, then provided that the dividend payment date occurs prior to the Outside DSU Redemption Date, the DSU Redemption Date shall be the first (1^{st}) Business Day immediately following the date of payment of such dividend for purposes of recording in the DSU Participant's Deferred Share Unit Account the credits of additional DSUs referred to in Section 3.1(f) and making the calculation of the DSU Cash Amount.

(g) If the DSU Redemption Date in respect of any Vested Deferred Share Units falls on a date during, or within the five trading day period immediately following, a Blackout Period, then, subject to the immediately following sentence, the DSU Redemption Date in respect of such Vested Deferred Share Units shall be the tenth (10^{th}) Business Day after the date of the expiry of such Blackout Period. If the DSU Redemption Date in respect of any Vested Deferred Share Units falls on a date that occurs during, or within the five trading day period immediately following, a Blackout Period and the revised DSU Redemption Date is not a date that is prior to the Outside DSU Redemption Date, then the DSU Participant's DSU Redemption Date shall, notwithstanding any other provision of this Plan, be the Outside DSU Redemption Date and such DSU Participant's DSUs shall be redeemed on such Outside DSU Redemption Date for a cash payment in accordance with Section 3.4(a), and not pursuant to Section 3.4(c).

(h) Upon payment of amounts owing to a DSU Participant or a DSU Participant's Beneficiary, as applicable, in respect of a Vested Deferred Share Unit, the Vested Deferred Share Unit in respect of which such payment has been made shall immediately and automatically be cancelled and terminated and shall become void and of no further force and effect.

ARTICLE IV

SHARES SUBJECT TO THIS PLAN

4.1 Shares Subject to this Plan

(a) Article IV applies to any Shares that may be acquired by a PSU Participant (or a registered retirement savings plan or tax-free savings account in respect of a PSU Participant) on or subsequent to any PSU Redemption Date or by a DSU Participant on or subsequent to any DSU Redemption Date that consist of authorized but unissued treasury Shares.

(b) Subject to adjustment for any subdivision, consolidation, reclassification or recapitalization of Shares, contemplated by and in accordance with Section 5.3:

(i) the maximum number of Shares which may be reserved for issuance from treasury relating to grants of PSUs and DSUs awarded under this Plan (together with additional PSUs and DSUs credited to PSU Participants and DSU Participants on account of dividends paid on the Shares) shall not, in the aggregate, exceed that number of Shares equal to five percent (5%) of the number of issued and outstanding Shares from time to time on a non-diluted basis;

(ii) the aggregate number of Shares reserved for issuance by the Corporation from treasury at any time to Insiders under this Plan and under all other security-based compensation arrangements of the Corporation, if any, shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis; and

(iii) during any one year period, the aggregate number of Shares issued by the Corporation from treasury to Insiders under this Plan and under all other security-based compensation arrangements of the Corporation, if any, shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis.

(c) This Section 4.1 and the Corporation's right to elect to satisfy PSUs and DSUs by the issuance of treasury Shares will be effective only upon receipt, from time to time, of all necessary approvals of this Plan, as amended, as required by the Stock Exchange Rules.

(d) If any Units granted under this Plan shall expire, terminate or be cancelled for any reason (including, without limitation, the satisfaction of a Unit by means of a cash payment) without being paid out or settled in the form of Shares issued by the Corporation from treasury, any unissued treasury Shares to which such Units relate shall be available for the purpose of granting additional Units under this Plan and under any other security-based compensation arrangements of the Corporation.

(e) For greater certainty, but without restriction to the foregoing, any and all increases in the number of issued and outstanding Shares shall result in an increase in the number of Shares available to be reserved for issuance from treasury under this Plan and under any other security-based compensation arrangements of the Corporation.

ARTICLE V

REORGANIZATION TRANSACTIONS

5.1 Change in Control

(a) If, before any of the Performance Share Units of a PSU Participant vest in accordance with the terms thereof:

(i) a Change in Control shall occur; and

(ii) the PSU Participant's Termination Date occurs by reason of termination:

(A) by the Employer or any of its Affiliates during the Control Period and such termination was for any reason other than for Cause; or

(B) by the PSU Participant as a result of a Constructive Dismissal provided that the material change imposed by the Employer or any of its Affiliates without the PSU Participant's consent occurs during the Control Period;

then unless otherwise provided in an Award Agreement or in a written employment agreement between the Employer and the PSU Participant:

(iii) a *pro rata* portion of the PSUs credited to the PSU Participant's Performance Share Unit Account shall vest in accordance with their terms and provisions of Section 2.4(c) on the basis that the PSU Vesting Date is the date of the Change in Control (unless otherwise determined by the HRG&S Committee, acting reasonably), such *pro rata* portion of such PSUs to be determined based on the number of days between the Date of Grant and the date of the Change in Control versus the number of days in the entire PSU Performance Goal Period for such PSUs, after applying a Combined Payout Percentage that reflects the level of achievement of PSU Performance Goals that can be determined as at the date of the Change in Control, and with respect to the PSU Performance Goals that are still in progress or that otherwise cannot be so determined as at the date of the Change in Control, assuming that such Performance Goals are achieved at target. Any PSUs in the PSU Participant's Performance Share Unit Account which the HRG&S Committee determines to vest shall become Vested Performance Share Units and shall be redeemed in accordance with Section 2.5. Any PSU Units that have been credited to a PSU Participant's Performance Share Unit Account to whom this Section 5.1(a) applies and which do not become Vested Performance Share Units pursuant to this Section 5.1(a) shall be terminated and forfeited without payment.

(b) Notwithstanding any other provision of this Plan, if PSUs become Vested Performance Share Units as contemplated by Section 5.1(a), the Fair Market Value of a Share with respect to such PSUs shall be the price per Share offered or provided for in the Change in Control transaction (unless otherwise determined by the HRG&S Committee, acting reasonably).

(c) If:

(i) before any of the PSUs of a PSU Participant vest in accordance with the terms thereof;

(ii) the PSU Participant is an employee of a member of the Extendicare Group (other than the Corporation); and

(iii) a Person, together with Persons acting jointly or in concert with such Person, other than the Corporation or an Affiliate of the Corporation, becomes the holder of 50% or more of the aggregate number of voting rights attaching to the outstanding voting securities of such member of the Extendicare Group (the date such Person, together with Persons acting jointly or in concert with such Person becomes such a holder being hereinafter referred to as the "**Acquisition Date**");

then unless otherwise provided in an Award Agreement or a written employment agreement between the Employer and the PSU Participant:

(iv) a *pro rata* portion of the PSUs credited to the Participant's Performance Share Unit Account shall vest in accordance with their terms and the provisions of Section 2.4(c) on the basis that the PSU Vesting Date is the Acquisition Date (unless otherwise determined by the HRG&S Committee, acting reasonably), such *pro rata* portion of such PSUs to be determined based on the number of days between the Date of Grant and the Acquisition Date versus the number of days in the entire PSU Performance Goal Period for such PSUs, after applying a Combined Payout Percentage that reflects the level of achievement of PSU Performance Goals that can be determined as at the Acquisition Date, and with respect to the PSU Performance Goals that are still in progress or that otherwise cannot be so determined as at the Acquisition Date, assuming that such Performance Goals are achieved at target. Any PSUs in the PSU Participant's Performance Share Unit Account which the HRG&S Committee determines to vest shall become Vested Performance Share Units and shall be redeemed in accordance with Section 2.5. Any PSU Units that have been credited to an Account of a PSU Participant to whom this Section 5.1(c) applies and which do not become Vested Performance Share Units pursuant to this Section 5.1(c) shall be terminated and forfeited without payment.

5.2 Substitution Event or Permitted Reorganization

(a) Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue this Plan and to continue the Units granted hereunder or to substitute or replace the Units with similar units measurable in value to the securities in the Continuing Entity for the Units outstanding under this Plan on substantially the same terms and conditions as this Plan. Any such adjustment, substitution or replacement shall, at all times, be such that (i) the provisions of this Plan applicable to PSUs and any PSUs granted under this Plan continuously comply with the exception in paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the ITA, and (ii) the provisions of this Plan applicable to DSUs and any DSUs granted under this Plan continuously comply with the exception in paragraph (l) of the definition of "salary deferral arrangement" in subsection 248(1) of the ITA and paragraph 6801(d) of the regulations to the ITA.

(b) If:

(i) the Continuing Entity does not comply with the provisions of Section 5.2(a);

(ii) the HRG&S Committee determines, acting reasonably, that compliance with Section 5.2(a) is not practicable;

(iii) the HRG&S Committee determines, acting reasonably, that compliance with Section 5.2(a) would give rise to adverse tax results to holders of PSUs; or

(iv) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on the TSX or other stock exchange;

then, unless otherwise determined by the HRG&S Committee prior to the date of the Substitution Event or Permitted Reorganization, as applicable, upon such Substitution Event or Permitted Reorganization, a *pro rata* proportion of the PSUs credited to a PSU Participant's Performance Share Unit Account which did not become Vested Performance Share Units on or prior to the date of the Substitution Event or Permitted Reorganization shall vest in accordance with the provisions of Section 5.1(a), on the basis that the references to "Change in Control" in Section 5.1(a) shall be read as references to "Substitution Event" or "Permitted Reorganization", as applicable, the provisions of Section 5.1(a)(ii) shall not apply and such Vested Performance Share Units shall be redeemed in accordance with Section 2.5 for cash only, notwithstanding the provisions of Section 2.5(c).

(c) Any PSUs that have been credited to an Account of a PSU Participant to whom Section 5.2(b) applies and which do not become Vested Performance Shares Units pursuant to Section 5.2(b) shall be terminated and forfeited without payment.

(d) Notwithstanding any other provision of this Plan, if PSUs become Vested Performance Share Units, as contemplated by Section 5.2(b), the Fair Market Value of a Share with respect to such PSUs shall be the price per Share offered or provided for in the Substitution Event or Permitted Reorganization, as applicable (unless otherwise determined by the HRG&S Committee, acting reasonably).

5.3 Changes in Capital

If the number of outstanding Shares is increased or decreased as a result of a subdivision, consolidation, reclassification or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of a dividend in the ordinary course, the HRG&S Committee shall, subject to TSX approval, if necessary, make appropriate adjustments to the number of PSUs and DSUs outstanding under this Plan, provided that the dollar value of PSUs credited to a PSU Participant's Performance Share Unit Account and DSUs credited to a DSU Participant's Deferred Share Unit Account immediately after such an adjustment shall not exceed the dollar value of PSUs or DSUs, as applicable, credited to such PSU Participant's Performance Share Unit Account or such DSU Participant's Deferred Share Unit Account, as applicable, immediately prior thereto. Any determination by the HRG&S Committee as to the adjustments shall be made in its sole subjective discretion and all such adjustments shall be conclusive and binding for all purposes of this Plan.

ARTICLE VI

ADMINISTRATION

6.1 Administration

(a) This Plan shall be administered by the HRG&S Committee in accordance with its provisions. All costs and expenses of administering this Plan will be paid by the Corporation. The HRG&S Committee may, from time to time, establish administrative rules and regulations and prescribe forms or documents relating to the operation of this Plan as it may deem necessary to implement or further the purpose of this Plan and amend or repeal such rules and regulations or forms or documents, provided that no such administrative rules or regulations shall be implemented which would cause a PSU to cease to qualify for the requirements for the exception in paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the ITA or which would cause a Deferred Share Unit to cease to qualify with the requirements for the exception in paragraph (l) of the definition of "salary deferral arrangement" in subsection 248(l) of the ITA and paragraph 6801(d) of the regulations to the ITA. In administering this Plan, the HRG&S Committee may seek recommendations from the Chairman of the Board and from the Chief Executive Officer of the Corporation. The HRG&S Committee may also delegate to any director, officer or employee of the Corporation such duties and powers relating to this Plan as it may see fit. The Corporation may also appoint or engage a trustee, custodian or administrator to administer or implement this Plan.

(b) The Corporation shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of this Plan and the discharge of its duties. At such times as the HRG&S Committee shall determine, the Corporation shall furnish each Participant with a statement setting forth the details of his or her Units including Date of Grant and the Vested Units held by such Participant.

(i) Any payment, notice, statement, certificate or other instrument required or permitted to be given to a Participant or any Person claiming or deriving any rights through him or her shall be given by:

(A) delivering it personally to the Participant or to the Person claiming or deriving rights through him or her, as the case may be;

(B) other than in the case of a payment, sending it to the Participant via facsimile or similar means of electronic transmission to the facsimile or e-mail address which is maintained for the Participant in the Corporation's personnel records; or

(C) mailing it postage paid (provided that the postal service is then in operation) or delivering it to the address which is maintained for the Participant in the Corporation's personnel records.

(ii) Any payment, notice, statement, certificate or other instrument required or permitted to be given to the Corporation shall be given by mailing it postage paid (provided that the postal service is then in operation); delivering it to the Corporation at its principal address, or (other than in the case of a payment) sending it by means of facsimile or similar means of electronic transmission, to the attention of the Corporation.

(iii) Any payment, notice, statement, certificate or other instrument referred to in Section 6.1(b)(i) or 6.1(b)(ii), if delivered, shall be deemed to have been given or delivered on the date on which it was delivered, if mailed (provided that the postal service is then in operation), shall be deemed to have been given or delivered on the second (2^{nd}) Business Day following the date on which it was mailed, and if by facsimile or similar means of electronic transmission, on the next Business Day following transmission.

6.2 Amendment and Termination

(a) Subject to this Section 6.2, this Plan may be amended, suspended or terminated at any time by the Board in whole or in part, provided that no amendment shall be made which would (i) cause the provisions of this Plan applicable to PSUs and any PSUs granted under this Plan to cease to comply with the exception in paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the ITA, or (ii) cause the provisions of this Plan applicable to DSUs and any DSUs granted under this Plan to cease to comply with the exception in paragraph (l) of the definition of "salary deferral arrangement" in subsection 248(1) of the ITA and paragraph 6801(d) of the regulations to the ITA. Upon termination of this Plan, subject to a resolution of the Board to the contrary, all unvested Units shall remain outstanding and in effect and continue to vest and be paid out in accordance with the terms of this Plan existing at the time of its termination and the applicable Award Agreement in the case of PSUs, provided that no further Units will be credited to the Account of any Participant (except in accordance with Sections 2.3(b) and 3.1(f)). This Plan will terminate on the date upon which no further Units remain outstanding.

(b) Subject to the rules, regulations and policies of the TSX and any other stock exchange on which the Shares are listed and traded, the Board may at any time, without further action by, or approval of, Shareholders, amend this Plan or any Unit granted under this Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

(i) ensure that Units granted under this Plan will comply with any provisions respecting performance share units, deferred share units or other security-based compensation arrangements in the ITA or other laws in force in any country or jurisdiction of which a Participant to whom a Unit has been granted may from time to time perform services or be resident;

(ii) cure any ambiguity, error or omission in this Plan or a Unit or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;

(iii) comply with Applicable Law or the requirements of any stock exchange on which the shares are listed;

(iv) amend the provisions of this Plan respecting administration;

(v) make amendments of a "housekeeping" nature;

(vi) change the terms and conditions on which Units may be or have been granted pursuant to this Plan, including a change to, or acceleration of, the vesting provisions of PSUs (provided that no extension to the term benefiting an Insider is permissible);

(vii) amend the treatment of PSUs on ceasing to be an employee; and

(viii) change the termination provisions of Units or this Plan.

Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the Participants, or as otherwise required by Applicable Law, materially and adversely alter or impair any of the rights or obligations under any Units theretofore granted and outstanding.

(c) Notwithstanding Section 6.2(b), the approval of the holders of Shares, in accordance with the rules, regulations and policies of the TSX and any other stock exchange on which the Shares are listed and traded, will be required in order to:

(i) increase the maximum number of treasury Shares issuable pursuant to this Plan, as provided for in Section 4.1;

(ii) amend the determination of FMV under this Plan in respect of any Unit;

(iii) modify or amend the provisions of this Plan in any manner which would permit Units, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes;

(iv) add to the categories of eligible Participants under this Plan;

(v) remove or amend the Insider Participation Restrictions;

(vi) change the termination provisions of Units or this Plan which would result in an extension beyond the original expiry date of a Unit held by an Insider;

(vii) remove or increase the limits previously imposed on participation in the Plan by non-employee Directors;

(viii) delete or reduce the range of amendments which require approval of the holders of Shares under this Section 6.2;; or

(ix) make any other amendment to this Plan where Shareholder approval is required by the TSX or any other stock exchange on which the Shares are listed and traded.

(d) The existence of any Units shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or to create or issue any bonds, debentures, shares or other securities of the Corporation or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation, or any amalgamation, combination, merger or consolidation involving the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

(e) Notwithstanding the provisions of this Section 6.2, should changes be required to this Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which this Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to this Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, this Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

(f) For greater certainty, (i) no Participant shall have any right to demand, be paid in, or receive Shares in respect of any Unit; and (ii) notwithstanding any election by the Corporation to settle any Unit, or portion thereof, in the form of Shares, the Corporation reserves the right to change its election in respect thereof at any time until payment is actually made.

(g) No amount will be paid to, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA) under this Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA), for such purpose.

6.3 Currency

All payments and benefits under this Plan shall be determined and paid in the lawful currency of Canada.

6.4 Beneficiaries and Claims for Benefits

Subject to the requirements of Applicable Law, a Participant shall designate in writing a Beneficiary to receive any benefits that are payable under this Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form and executed and filed in such manner as the HRG&S Committee may from time to time determine.

6.5 General

(a) The transfer of an employee within the Extendicare Group shall not be considered a termination of employment for the purposes of this Plan, so long as such Participant continues to be an employee of a member of the Extendicare Group.

(b) The determination by the HRG&S Committee of any question which may arise as to the interpretation or implementation of this Plan or any of the Units granted hereunder shall be final and binding on all Participants and other Persons claiming or deriving rights through any of them.

(c) This Plan shall enure to the benefit of and be binding upon the Corporation and its successors and assigns. The interest of any Participant under this Plan or in any Unit shall not be transferable or alienable by him or her either by pledge, assignment or in any other manner whatever, otherwise than by testamentary disposition or in accordance with the Applicable Laws governing the devolution of property in the event of death; and after his or her lifetime shall enure to the benefit of and be binding upon the Participant's Beneficiary.

(d) The Corporation's grant of any Units or any obligation to make any payments hereunder is subject to compliance with Applicable Law applicable thereto.

(e) As a condition of participating in this Plan, each Participant agrees to comply with all Applicable Law and agrees to furnish to the Corporation all information and undertakings as may be required to permit compliance with Applicable Law.

(f) Each Participant shall provide the Committee with all information (including personal information) the Committee requires in order to administer this Plan (the "**Participant Information**").

(g) The Corporation may from time to time transfer or provide access to Participant Information to a third party service provider for purposes of the administration of this Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Corporation in connection with the operation and administration of this Plan. The Corporation may also transfer and provide access to Participant Information to other members of the Extendicare Group for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in this Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents for its provision on the terms set forth herein. The Corporation shall not disclose Participant Information except (i) as contemplated above in this Section 6.5(g), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Corporation to compel production of the information.

(h) Neither the Corporation nor any Employer shall be liable for any tax imposed on any Participant or any Beneficiary as a result of the crediting, holding or redemption of Units or amounts paid or credited to such Participant (or Beneficiary) under this Plan. It is the responsibility of the Participant (or Beneficiary) to complete and file any tax returns which may be required under any applicable tax laws within the period prescribed by such laws.

(i) Each of the Corporation and any Employer may deduct, withhold and/or remit from any amount paid or credited hereunder, or otherwise, such amount as may be necessary so as to ensure the Corporation or Employer will be able to comply with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant or a Beneficiary, as the case may be.

(j) This Plan and any amendments thereto, including the number of Shares reserved for issuance from treasury hereunder, shall be subject to any requisite approval of, and conditions imposed by, the TSX and any Units granted prior to such approval of the TSX shall be conditional upon such requisite approval being given. To the extent that any provision of this Plan conflicts with any rules of the TSX, such rules shall govern and this Plan shall be deemed to be amended to be consistent therewith.

(k) A Participant shall not have the right or be entitled to exercise any voting rights, receive dividends or have or be entitled to any other rights as a shareholder of the Corporation in respect of any Units.

(l) The designation of an employee as a PSU Participant shall not entitle the employee to any PSUs under this Plan, nor shall the grant of any PSUs to any PSU Participant entitle such PSU Participant to any additional grant of PSUs under this Plan. Neither this Plan nor any action taken thereunder shall interfere with the right of the Employer of a PSU Participant to terminate a PSU Participant's employment at any time. Except as otherwise required pursuant to the express minimum requirements of applicable employment standards legislation, neither any period of notice under Applicable Law or contract of employment, if any, nor any payment in lieu thereof, upon termination of employment shall be considered as extending the period of actual and active employment and eligibility for the purposes of this Plan.

(m) Participation in this Plan, other than by a DSU Participant, shall be entirely voluntary and any decision by an employee of the Extendicare Group not to participate shall not affect any employee's employment with a member of the Extendicare Group.

(n) This Plan is an unfunded obligation of the Extendicare Group. Neither the establishment of this Plan nor the grant of any Units or the setting aside of any funds by any one or more members of the Extendicare Group, if they choose to do so shall be deemed to create a trust. Legal and equitable title to any funds set aside for the purposes of this Plan shall remain in the Extendicare Group and no Participant shall have any security or other interest in such funds. Any funds so set aside shall remain subject to the claims of creditors of the Extendicare Group present or future. Amounts payable to any Participant under this Plan shall be a general, unsecured obligation of the Extendicare Group. The right of the Participant or Beneficiary to receive payment pursuant to this Plan shall be no greater than the right of other unsecured creditors of the Extendicare Group.

(o) This Plan is established under the laws of the Province of Ontario and the rights of all parties and the construction of each and every provision of this Plan and any Units granted hereunder shall be construed according to the laws of the Province of Ontario.

CONFIRMED as approved by the Board effective April 7, 2016, amended effective December 12, 2019, amended effective May 27, 2025, and amended effective August 6, 2026.

SCHEDULE "A"

EXTENDICARE INC.

LONG TERM INCENTIVE PLAN (THE "PLAN")

AWARD AGREEMENT FOR PERFORMANCE SHARE UNITS

Extendicare Inc. (the "**Corporation**") hereby grants the following award of Performance Share Units to the Participant named below in accordance with and subject to the terms, conditions and restrictions of this Award Agreement ("**Award Agreement**"), together with the provisions of the Plan:

Name of Participant: ______________________________

Address of Participant: ______________________________

____

Number of Performance Share Units: ______________________________

Date of Grant: ______________________________

PSU Service Year: ______________________________

PSU Performance Goal Period: ______________________________

PSU Vesting Date: ______________________________

Outside PSU Redemption Date: ______________________________

The performance criteria for the Performance Share Units shall be as follows:

____

____

____

____

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Award Agreement and all capitalized terms used herein, unless expressly defined herein, have the meanings ascribed thereto in the Plan.

Participation in the Plan is voluntary and is not a condition of employment with the Corporation or any other member of the Extendicare Group. No PSU Participant has any claim or right to be granted Performance Share Units pursuant to the Plan.

Neither the Corporation nor any Employer (which for the purposes of this Award Agreement includes their respective directors, officers and employees) shall have any liability for: (i) the income or other tax consequences to PSU Participants arising from participation in the Plan; (ii) any change in the value of the Shares; or (iii) any delays or errors in the administration of the Plan, except where such Person has acted with willful misconduct. PSU Participants should consult their own tax and business advisors as Extendicare is not providing any such advice to any Participant.

Please acknowledge receipt of this Award Agreement and your agreement to be bound by its terms (and the terms and conditions set out in the Plan) by signing the acknowledgement below. Please make a copy of this Award Agreement for your records and return your original signed Award Agreement to the attention of the Corporate Secretary within thirty (30) days of your receipt of this Award Agreement.

If you fail to complete and return this Award Agreement within thirty (30) days of your receipt of the Award Agreement, the Corporation reserves the right to revoke the crediting of Performance Share Units to you.

Thank you for your contribution to the Extendicare Group.

EXTENDICARE INC.

By: ______________________________

Name: Title:

ACKNOWLEDGEMENT

The undersigned PSU Participant acknowledges to and in favour of Extendicare Inc. that:

1. I have had the opportunity to review a copy of the Plan and agree to be bound by it and the terms of this Award Agreement. In the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan will govern and prevail.

2. I have not been induced to enter into this Award Agreement by expectation of employment or continued employment with the Corporation or any other member of the Extendicare Group.

3. I will be liable for income tax and other applicable taxes or social security contributions when payment is made to me under the Plan in respect of Units credited to my Account, in accordance with the terms of the Plan**. I acknowledge that I should confirm the tax treatment with my own tax advisor.**

4. I **_____** am / **____** am not **[please check one]** a U.S. Taxpayer.

5. The value of a Performance Share Unit is based on the trading price of a Share and is thus not guaranteed. The cash value of a Performance Share Unit on the applicable PSU Redemption Date may be higher or lower than the value of the Performance Share Unit at the time it was credited to my Performance Share Unit Account.

6. Except as otherwise provided in the Plan, in an Award Agreement or in a written employment agreement with my Employer, if my employment with any member of the Extendicare Group is terminated, I will forfeit all unvested Performance Share Units in my Performance Share Unit Account at the time.

7. Any lump sum payment in cash owing to me pursuant to the Plan (less applicable withholding taxes) or evidence of ownership of Shares in accordance with Section 2.5(c) of the Plan, as applicable, will be forwarded to me at the address above, by registered mail, and in the case of cash shall be in the form of a cheque from the Employer.

8. I shall have no entitlement to receive payment in respect of any Performance Share Units that are forfeited pursuant to the terms of the Plan, by way of damages, payment in lieu or otherwise.

9. No funds will be set aside to guarantee payment of the Performance Share Units and that future payments of Performance Share Units will remain an unfunded and unsecured liability recorded on the books of the Corporation and/or Employer.

10. I am required to provide the Corporation with all information (including personal information) the HRG&S Committee requires to administer the Plan and I hereby consent to the collection of all such information by the Corporation. I understand that the Corporation may from time to time transfer or provide access to such information to third party service providers for purposes of the administration of the Plan and that such service providers will be provided with such information for the sole purpose of providing such

services to the Corporation. I acknowledge that withdrawal of the consent at any time may result in a delay in the administration of the Plan or in the inability of the Corporation or Employer to deliver consideration for my Vested Performance Share Units.

Date	Signature of Participant
	Name of Participant **[Please Print]**

SCHEDULE "B"

EXTENDICARE INC.

LONG TERM INCENTIVE PLAN

BENEFICIARY DESIGNATION

TO: EXTENDICARE INC.

I,_________________________________, being a Participant in the Extendicare Inc. Long Term Incentive Plan (the "**Plan**") hereby designate the following individual as my Beneficiary for purposes of the Plan:

Name of Beneficiary: ____

Address of Beneficiary: ____

____

This designation revokes any previous Beneficiary designation made by me under the Plan. Subject to the terms of the Plan and Applicable Law, I reserve the right to revoke this designation and to designate another individual as my Beneficiary.

Date: ____________________________________

Name: ____________________________________

Signature: ____________________________________

Notes:

1. Choosing your Beneficiary is an important decision and this is an important document. Extendicare Inc. and the other members of the Extendicare Group recommend that you consider your options carefully and that you seek appropriate legal advice before completing this Beneficiary Designation.

2. In the case of DSUs, the Beneficiary must be an individual who is a dependent or relation of the Participant.

3. All capitalized terms used in this Beneficiary Designation shall have the meanings ascribed thereto in the Plan, unless otherwise defined herein.

SCHEDULE "C"

EXTENDICARE INC.

LONG TERM INCENTIVE PLAN

DSU PARTICIPANT PARTICIPATION AND ELECTION AGREEMENT

TO: EXTENDICARE INC.

I hereby confirm that, as of the date written below, I am a non-employee member of the Board of Directors of Extendicare Inc. (the "**Corporation**") and acknowledge that I have been, or will be, granted Deferred Share Units under Article 3 of the Long Term Incentive Plan of the Corporation (the "**Plan**") and/or have elected or will elect herein to have all or a portion of my DSU Eligible Fees satisfied in the form of Deferred Share Units under Article 3 of the Plan, subject to and in accordance with the terms of the Plan.

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Participation and Election Agreement. All capitalized terms used herein, unless expressly defined herein, have the meanings ascribed thereto in the Plan.

I hereby acknowledge and confirm that:

1. One hundred percent (100%) of the dollar amount of my Automatic DSU Retainer (which for the 2016 Fiscal Year is $25,000 for Directors, other than the Chairman and $75,000 for the Chairman) will be satisfied by the crediting Deferred Share Units to my Deferred Share Unit Account.

2. I elect to receive my DSU Eligible Fees for the remaining months of the 2016 Fiscal Year, or the calendar year in which I am first elected or appointed to the Board of Directors, as applicable, and for each subsequent calendar year unless and until modified by the filing of a new election form in accordance with the terms of the Plan, as follows:

   (a) percentage of the dollar amount my Annual Board Retainer that is not an Automatic DSU Retainer (which for the 2016 Fiscal Year is $25,000 for Directors, other than the Chairman and $75,000 for the Chairman) to be satisfied by additional grants of Deferred Share Units (with any remaining percentage to be paid in cash)

   ______0% _____25% _____50% _____75% ______100% **[please check one]**;

   (b) percentage of my Annual Committee Retainer to be satisfied by additional grants of Deferred Share Units (with any remaining percentage to be paid in cash)

   ______0% _____25% _____50% _____75% ______100% **[please check one]**; and

(c) percentage of my Meeting Fees to be satisfied by additional grants of Deferred Share Units (with any remaining percentage to be paid in cash)

______0% _____25% _____50% ______75% _____100% **[please check one]**.

3. I _____am / ____ am not **[please check one]** a U.S. Taxpayer.

4. I acknowledge that I have received and reviewed a copy of the Plan and agree to be bound by the terms and conditions of the Plan. In the event of any conflict between the terms of the Plan and this Participation and Election Agreement, the terms of the Plan shall govern.

5. I understand that 100% of my Automatic DSU Retainer and any portion of my DSU Eligible Fees that I elect to receive in the form of Deferred Share Units shall be credited to my Account in quarterly instalments on the last Business Day of each Fiscal Quarter of each calendar year (except for the quarterly instalment for the Fiscal Quarter ending March 31, 2016 which shall be credited to my account on the effective date of this Plan), such number of Deferred Share Units being calculated in accordance with the provisions of the Plan.

6. I understand that any election I make with respect to my DSU Eligible Fees shall be effective only with respect to compensation paid for services performed after this Participation and Election Agreement is filed, and shall be irrevocable in respect of the calendar year it is made for and shall remain in effect for subsequent calendar years unless and until modified by the filing of a new election form in accordance with the terms of the Plan.

7. I understand that I will not be able to cause the Corporation to redeem Deferred Share Units granted under the Plan until I am no longer a Director of the Corporation.

8. I recognize that when Deferred Share Units credited pursuant to the Plan are redeemed in accordance with the terms of the Plan after I am no longer a Director, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Share Units, the Corporation will make all appropriate withholdings as required by law at that time. I acknowledge that neither the Corporation nor any other member of the Extendicare Group has provided me with any tax advice with respect to the Plan and I acknowledge that I should confirm the tax treatment with my own advisor(s).

9. I understand that the value of Deferred Share Units is based on the value of the Shares from time to time and therefore is not guaranteed.

10. No funds will be set aside to guarantee the payment of Deferred Share Units. Future payment of Deferred Share Units will remain an unfunded and unsecured liability of the Corporation recorded on the books of the Corporation.

11. I understand that all redemptions in respect of any Vested Deferred Share Units in my Account will be payable in cash unless the Corporation, in its sole subjective discretion, and in lieu of the cash payment, (i) issues the number of whole Shares equal to the number of whole Vested Deferred Share Units so redeemed, or (ii) through a broker designated by me that is independent from each member of the Extendicare Group, purchases Shares

through the facilities of the TSX or an alternative Canadian trading system in accordance with Section 3.4(c)(i) and Section 3.4(c)(ii) of the Plan, respectively.

12. As a participant in the Plan, I acknowledge that I am required to provide the Corporation with all information (including personal information) required to administer the Plan and I hereby consent to the collection and use of all such information by the Corporation and the HRG&S Committee. I understand that the Corporation may from time to time transfer or provide access to Participant Information to (i) third party service providers for purposes of the administration of the Plan, and (ii) other members of the Extendicare Group for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. I also understand that the Corporation may from time to time disclose personal information about me in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Corporation to compel production of the information.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan text. In the event of any conflict between the terms of the Plan and this Participation and Election Agreement, the terms of the Plan will prevail and govern.

Dated as of **[●]**.

____
Name of Director

____
Signature of Director

SCHEDULE "D"

EXTENDICARE INC.

LONG TERM INCENTIVE PLAN

<u>DSU REDEMPTION ELECTION</u>

TO: THE HRG&S COMMITTEE

I hereby acknowledge and confirm that:

1. I am the holder of ● Deferred Share Units (the "Units").

2. This election is for ●/all Units (the "Elected Units") in accordance with Section 3.4(b) of the Extendicare Inc. Long Term Incentive Plan (the "Plan"), as it may be amended from time to time.

3. I irrevocably elect the DSU Redemption Date for the Elected Units to be ●.

4. I acknowledge that such elected DSU Redemption Date must be after my Termination Date (as defined in the Plan) and no later than December 15 of the calendar year immediately following the calendar year of my Termination Date.

5. I acknowledge that I am not a U.S. Taxpayer.

6. This election may only be made once in respect of the Units and is irrevocable once made.

Dated at ____________ this ___ day of ____________, 20●.

____
Name of Director

____
Signature of Director

Notes: This form must be delivered prior to the DSU Participant's Termination Date.

SCHEDULE "E"

EXTENDICARE INC.

LONG TERM INCENTIVE PLAN

PSU REDEMPTION ELECTION

TO: EXTENDICARE INC.

I hereby acknowledge and confirm that:

1. I have been credited with ● Performance Share Units (the "Units") in accordance with the attached Award Agreement(s).

2. This election is for ●/all Units (the "Elected Units") in accordance with Section 2.5(b) of the Extendicare Inc. Long Term Incentive Plan (the "Plan"), as it may be amended from time to time.

3. I irrevocably elect the PSU Redemption Date for the Elected Units to be ●.

4. I acknowledge that such elected PSU Redemption Date must be after the date the Elected Units become Vested Performance Share Units (as defined in the Plan), after the date of this election, and prior to December 15 of the third calendar year commencing after the PSU Service Year in respect of the Elected Units.

5. I acknowledge that I am not a U.S. Taxpayer.

6. This election may only be made once in respect of Performance Share Units referenced in 1 above and is irrevocable once made.

Dated at ____________ this __ day of ____________, 20●.

____
Name of Director

____
Signature of Director

Notes: This form may be delivered at any time prior to the date that is the second (2^{nd}) Business Day after the Performance Share Units become Vested Performance Share Units.

SCHEDULE "F"

EXTENDICARE INC.

LONG TERM INCENTIVE PLAN

PLAN PROVISIONS APPLICABLE TO PSU PARTICIPANTS WHO ARE U.S. TAXPAYERS

Notwithstanding any other provision of the Plan to the contrary, the following shall apply with respect to PSU Participants who are U.S. Taxpayers ("**Covered PSU Participants**"):

1. Provisions of General Application. With respect to any payment to a Covered PSU Participant that is triggered by his or her termination of employment, a termination of employment shall only be considered to occur if such Covered PSU Participant has also had a separation from service within the meaning of Code Section 409A(a)(2)(A). In addition, if a Covered PSU Participant is a "specified employee" within the meaning of Code Section 409A(2)(B) (generally, one of the top 50 officers of the Corporation by compensation), any payment triggered under the Plan by such Covered PSU Participant's termination of employment shall be paid on the later of the date otherwise provided under the Plan or immediately following the 6-month anniversary of such Covered PSU Participant's termination of employment. If a Covered PSU Participant who is a "specified employee" within the meaning of Code Section 409A(2)(B) is also a Canadian Taxpayer, any payment triggered under the Plan by such Covered PSU Participant's termination of employment shall, notwithstanding the immediately preceding sentence, be paid not later than the Outside PSU Redemption Date in respect of such Covered PSU Participant's Performance Share Units.

2. Section 2.5(a). Any payment to a Covered PSU Participant under Section 2.5(a) shall be made no later than 90 days following the date on which the Performance Share Units to which such payment relates became Vested Performance Share Units. Such payment may be made in cash, as described in Section 2.5(a), or in Shares, as described in Section 2.5(c).

SCHEDULE "G"

EXTENDICARE INC.

LONG TERM INCENTIVE PLAN

PLAN PROVISIONS APPLICABLE TO DSU PARTICIPANTS WHO ARE U.S. TAXPAYERS

Notwithstanding any other provision of the Plan to the contrary, the following shall apply with respect to DSU Participants who are U.S. Taxpayers ("**Covered DSU Participants**"):

1. **Provision of General Application.** With respect to any payment to a Covered DSU Participant that is triggered by his or her ceasing to be a Director, such cessation shall only be considered to occur if such Covered DSU Participant has also had a separation from service within the meaning of Code Section 409A(a)(2)(A). If a Covered DSU Participant is also a Canadian Taxpayer, any payment triggered under the Plan by such Covered DSU Participant's Termination Date shall, notwithstanding the immediately preceding sentence, be paid not later than the Outside DSU Redemption Date in respect of such Covered DSU Participant's Deferred Share Units.

2. **Section 3.2(b).** Notwithstanding Section 3.2(b), an election by a Covered DSU Participant to receive 100%, 75%, 50% or 25% of his or her DSU Eligible Fees for services to be performed after the date of the election, and that would otherwise be payable to the Covered DSU Participant in cash, may not be made by the Covered DSU Participant during a Blackout Period. In the event that the election would otherwise be required to be made under Section 3.2(b) within a Blackout Period, the deadline will be extended to the earlier of the date that is 30 days after the date the DSU Participant is first elected or appointed to the Board of Directors and the tenth (10^{th}) Business Day following expiry of the Blackout Period; provided that if the Blackout Period continues to and includes the date that is 30 days after the date the DSU Participant is first elected or appointed to the Board no such election may be made by a Covered DSU Participant under Section 3.2(b).

3. **Section 3.4(a)**. Any payment to a Covered DSU Participant under Section 3.4(a) shall be made no later than 90 days following the DSU Redemption Date. Subject to Section 3.4(d), such payment may be made in cash, as described in Section 3.4(a) or Shares, as described in Section 3.4(b).

4. **Section 3.4(d)**. If the application of Section 3.4(d), which delays payment in the event of a Blackout Period, would cause a Covered DSU Participant's benefit under the Plan to be subject to interest and additional tax under Code Section 409A(a)(1)(B), such payment shall be made at the latest date possible to avoid any such interest and additional tax and the Vested Deferred Share Units shall be redeemed for a cash payment. If the Covered DSU Participant is also a Canadian Taxpayer and the application of the immediately preceding sentence would otherwise result in the DSU Redemption Date in respect of the Covered DSU Participant's Vested Deferred Share Units occurring on a date that is after the Outside DSU Redemption Date in respect of such Vested Deferred Share Units, the DSU Redemption Date in respect of such Vested Deferred Share Units shall, notwithstanding the immediately preceding sentence, be the Outside DSU Redemption Date in respect of such Vested Deferred Share Units, and such Vested Deferred Share Units shall be redeemed on such Outside DSU Redemption Date for a cash payment in accordance with Section 3.4(a).